RESEARCH PROPOSAL OF THE THESIS ENTITLED

The Impact of Digital Marketing Awareness and Adoption on Business Success: A Study of (MSMEs) in Gujarat with reference to TAM Model

Submitted for the award of Degree of

DOCTOR OF PHILOSOPHY IN MANAGEMENT

By

KISHAN CHAVDA

Enrolment No. 202302019

Under the Supervision of

DR. KUL PRAKASH

Associate Professor

UIM (Karnavati University)

Unitedworld Institute of Management

Karnavati University, Gandhinagar

November- 2025

1. Introduction

The blistering development of digital technologies in the last twenty years has radically changed the business environment of the world and redefined approaches in which businesses engage with consumers, allocate the products, and develop long-term competitive advantages. With the adoption of digitalization by industries in their bid to keep up with the high-paced dynamic nature of the contemporary markets, digital marketing has become one of the most effective tools that can affect performance within the business industries. The change to digitally oriented promotion tools doing away with the past forms of marketing is now not only a factor of innovation but also necessity, as the consumers are turning more and more toward the internet as the means of locating information, assessing brands, and making a purchase. Such an enormous shift in consumer behaviour, combined with the extensive use of the internet and the emergence of smartphones, has forced organisations both large and small to reassess their marketing strategy and invest in digital solutions that offer reach, accuracy, scalability and achievable results. Whereas big organizations have quickly integrated digital technologies, micro, small and medium sized enterprises (MSMEs) have more problems with comprehending, gaining access and integrating such technologies because of inherent resource constraints, skill skills and because of infrastructure constraints. Nevertheless, in spite of these challenges, digital marketing provides MSMEs with an opportunity to reach their customers like never before, communicate more effectively with them, and increase their business success.

India is one of the rapidly developing digital economies of the world, and MSME is an important industry in this environment. The MSMEs have a significant contribution to the GDP, industrial production, employment creation as well as the exports of the nation. Having more than 63 million MSMEs, which are engaged in the work of the different sectors, the segment is the framework of the Indian economy as it helps to sustain livelihoods, develop the regions and entrepreneurship. Based on the estimates of the government, the MSME sector has an estimated contribution of approximately 30 percent to the GDP and over 40 percent of the total exports, which makes it one of the most effective drivers of socio-economic development. Nevertheless, this industry still experiences a number of weaknesses such as lack of access to advanced technology, limited market penetration, inefficient marketing funds, low digital literacy, as well as, poor infrastructure that acts as a hindrance to expansion in a progressively competitive economic environment. Digital marketing can be

used to overcome most of those issues, as they offer cheap advertising outlets, more exposure, niche advertisement, and two-way communication, all of which are prerequisites to surviving in the digitally saturated marketplace of the present.

Gujarat is one such state, a colorful industrial state known to produce well and offer an entrepreneurial lifestyle and strong MSME environment, among other Indian states. In the textile sector, ceramics, pharmaceuticals, engineering, handicrafts, chemicals, food processing, or services, the MSMEs have greatly led to economic success of the state in the long run. By 2010, cities like Ahmedabad, Surat, Rajkot, Vadodara and Morbi have emerged as MSME power houses with healthy industrial coalitions and export capabilities. The favourable policies, infrastructural facilities and business-friendly environment, have offered a favourable environment in which MSMEs have been able to develop. Nevertheless, it is possible to note that despite all these benefits, the MSMEs of Gujarat demonstrate significant inconsistencies in the rates of digital awareness, adoption, and preparedness. There are a number of businesses who continue to rely on old ways in promoting their products like use of newspaper ads, direct sales, trade shows and word of mouth advertisements, which does not help them compete in a digital economy. This discrepancy between the potential and the actual use of digital suggests an interesting research study that examines the perception, adoption and use of digital marketing by MSMEs in Gujarat.

Digital marketing has been adopted by MSMEs because of external factors like technological availability, pressure by competitors and government initiatives as well as internal behavioural aspects that are based on the perceptions and attitude of business owners. This is an important framework that can be used to explain these behavioural mechanisms, and the Technology Acceptance Model (TAM) offered by Davis (1986) is a useful framework. According to TAM, people do not use technology just because they have two perceptions that they believe to be useful and easy to use, which are perceived usefulness (PU) and perceived ease of use (PEOU). Considering the sphere of MSMEs, the perceived usefulness can be connected with the expectations of the digital marketing to aid in raising sales, boosting brand recognition, acquiring new clients, or raising profitability. The perceived ease of use is how comfortable the business owners or managers feel when they use digital platforms and this can include the ease of navigation, ease of operation, ease of use technologically or the amount of skill needed. By feeling that digital marketing tools are effective and easy to utilize, the decision makers in the MSMEs will have a greater intention to use the tools.

Using TAM on MSMEs in Gujarat, the study aims to comprehend how awareness relates to behavioural constructs and how the relationship with them has effects on the actual adoption and use of digital marketing tools.

Digital marketing is an extremely diverse practice comprising social media marketing, search engine optimization (SEO), pay-per-click (PPC) advertising, email marketing, content marketing, mobile marketing, influencer partnerships, affiliate marketing, and the presence in online marketplaces. These tools enable companies to reach more people, contact their customers directly, monitor their performance using analytics, and address a particular group of demographics. Facebook, Instagram, LinkedIn, YouTube, WhatsApp Business, Google Ads, and Google My Business have become a critical platform that MSMEs should use to increase their online presence. Thousands of small business in Gujarat have been beneficiaries of such tools, but there are yet to be educated on how these tools work, and how they can be incorporated into the business strategies. To most MSMEs particularly those operated by first-generation entrepreneurs or traditional family-owned businesses, the online world is confusing and overwhelming. Such enterprises do not have the chance to exploit digital technologies due to the lack of digital literacy and trained personnel, wrong beliefs about the price, and time constraints to acquire new tools.

Digital marketing is also dynamic and changing in a very rapid manner which presents a challenge. The algorithms, trends of consumers and types of online advertisements evolve regularly, making it impossible to learn and adopt without regular learning and adaptation. Being characterized by human and financial resources, MSMEs can hardly keep up with such a fast technological change. Owners of businesses find it difficult to plan, carry out and monitor digital marketing campaigns, especially those who have difficulties with operating their business on a daily basis. Consequently, most MSMEs will either not engage in digital marketing or will do so in a disjointed and unorganized way that has not been effective. This part of their experiences strengthens the idea of thinking that digital marketing is either too complex or ineffective, when in fact the problem is in their lack of knowledge or poor execution. This brings about a vicious cycle of ignorance resulting into bad adoption which continues to foster negative attitudes which discourages further usage.

Digital marketing among MSMEs is also affected by a number of external factors. The threat of cybersecurity, privacy issues, internet fraud, and phishing attacks influence the adoption of digital platforms in some businesses. The awareness of the most safe payment gateways or

data protection measures, the safety practices related to online transactions are still a concern that is not known to many MSMEs, and they are reluctant to conduct transactions or handle any data online. There is also the technological infrastructure especially in the rural and semi-urban Gujarat. Even though we have a better digital infrastructure in Gujarat than most of the other states, the state still experiences inequalities in terms of digital infrastructure. Impractical internet connectivity, unavailability of high-speed broadband and other digital services in remote locations limit digital participation, even in the case of MSMEs who are technology positive minded.

The initiative by the government, at the state and central level, seeks to help in the digital adoption of MSMEs. There are programs like the Digital India, MSME Digital Saksham, PMEGP digital integration, Startup India, and Skill India that are provided with training, financial help, digital literacy campaigns, and technology upgradation programs. Current efforts of Gujarat itself, including the MSME Gujarat Scheme, industrial facilitation centres, cluster development programmes and technology parks, are aimed at building capacity in entrepreneurship and digital transformation. These efforts notwithstanding the gap between policy intention and actual awareness is still very high. Most of the MSMEs are not aware of the schemes available or fail to know how to apply them diminishing their effects. This brings out the necessity of systematic research to determine the level of understanding and use of government assistance in digital marketing by MSMEs.

Competitive pressures can also be regarded as a significant motivator to MSME digital adoption. In an environment where people become more and more dependent on digital communication channels to receive information, reviews, and communicate, the businesses that have not reached out to the internet run a risk of becoming irrelevant. It is especially that younger consumers tend to be more interested in working with the brands online, and MSMEs have to keep up with these new demands. As a brand discovery and interaction medium, social media has supplanted the conventional advertising media. Competitors, who invest in digital marketing, risk the scenarios of reduced visibility, customer touch, and sales. Such a competitive relationship may affect the perceived usefulness and motivate digital adoption behaviour.

The usefulness of digital marketing to the success of MSMEs is, therefore, much more than just promotional. It determines the customer acquisition, market growth, operational effectiveness, brand validity, and long-term sustainability. In the case of MSMEs in Gujarat,

digital marketing has the potential of opening up national and international markets in a fraction of the traditional costs. Web-based business platforms like IndiaMART, Flipkart, Amazon and Exporters India have provided new opportunities to access through geographical borders. Such platforms offer MSMEs product listing, logistics services, order management, use of customer reviews as a credibility factor, and insights about purchasing trends. Nevertheless, much of the MSMEs are reluctant to use these platforms because of their perceived complexity, commission-related issues, or logistical concerns or because they are not aware of how to onboard.

With this in consideration, it is clear that a comprehensive research on digital marketing awareness, adoption and its influence on the success of MSME is necessary. Knowing the way in which MSMEs regard digital marketing, what they consider to drive their decision to adopt it, the difficulties they encounter, and how they change their business performance after adoption can be useful in developing more useful policies, training, and strategies. Combining the Technology Acceptance Model, the study will determine psychological and behavioral factors of adoption and examine the interaction between awareness and perceived ease of use as well as perceived usefulness. It will also discuss the ways adoption can be translated into tangible business results like a larger revenue, a better ability to reach customers, a better brand image, and a higher level of operational efficiency.

It is also expected that in the study, best practices and working case examples of MSMEs in Gujarat who have successfully used digital marketing to grow their businesses will be brought into perspective. Such cases can showcase effective working strategies in the local environment and give a guide to other MSMEs. They will also be able to find sector-specific trends, e.g. how textile MSMEs in Surat market their products via Instagram through visual marketing, how ceramic manufacturers in Morbi use B2B platforms, or how food processing units in Ahmedabad use Google My Business to reach their local audience.

Finally, the mainstream use of the digital marketing has altered the competitive landscape especially to MSMEs which have limited resources to operate with a high growth potential. Awareness levels, perceptions and behavioural intentions are important elements that determine the effectiveness of digital marketing adoption, which is well addressed using the Technology Acceptance Model. Gujarat is a perfect place to conduct the analysis of digital marketing awareness and adoption trends, having a comprehensive MSME base, spirit of entrepreneurship and diversity within the industrial scope. An in-depth study of these

dynamics can produce valuable information to the owners of MSMEs, policymakers, academic researchers, and stakeholders interested in assisting the MSMEs through the digital transformation process. The more companies are relying on online interactions and as consumer behaviour keeps changing, the more strategic and sustainable the growth of MSMEs based on digital marketing is likely to be, as the company gains competitive advantages and long-term success in the digital economy.

2. Literature Review

The intense development of online technologies, in particular online marketing tools, has completely transformed the competitive environment in which micro, small, and medium enterprises (MSMEs) operating. Digital platforms, including social media channels and search engines as well as analytics dashboards and e-commerce portals, have become the fundamental facilitators of market growth, customer interaction, and operational productivity (Hollebeek et al., 2022; Tatik and Setiawan, 2024). Although these opportunities exist, the MSMEs are continually experiencing hindrances in terms of lack of awareness, skills, infrastructures, and risk aversion particularly in the less developed economies such as India.

The Technology Acceptance Model (TAM) that anchors around the Perceived usefulness (PU) and Perceived ease of use (PEOU) is an effective framework that can be used to understand the adoption of digital technology among small businesses (Davis, 1989; Venkatesh and Davis, 2000).

In order to develop a holistic picture of the MSME digital transformation, the given literature review will take the hybrid approach, i.e., it will be structured in terms of thematic groups, but each of them will be connected with the important variables of the proposed framework: Digital Marketing Awareness, PU, PEOU, Digital Marketing Adoption, and Business Success. The review is a synthesis of 50 high-impact scholarly studies that have been incorporated to create a base on which empirical investigation pertaining to MSMEs in Gujarat could be conducted.

2.1 Digital Marketing (DMA) MSMEs Awareness:

Digital marketing awareness (DMA) is the level of knowledge that the owners of a business have about the presence of digital marketing in the growth of an organization in terms of the purpose, tools, benefits, and strategic worth. The cognitive base preceding any adoption

behavior is made up of awareness (Khan et al., 2024).

A number of researches highlight that awareness is among the major predictors of the readiness to technology among small firms. According to Abueg et al. (2024), MSMEs may not have a sufficient level of knowledge about digital tools which leads to low resilience in the business and competitiveness.

Awareness gaps generate a vast technological disparity in low-digital exposure regions, which restricts chances of market growth as well as competitiveness (Kumar et al., 2023). Poor awareness of digital technologies is often cited as one of the reasons of low adoption in the South Asian context.

Khan et al. (2024) discovered that the main reason MSMEs in Bhutan and Sikkim are not successful at digital marketing is because they are not aware of the online consumer behavior, analytics, and marketing automation.

Equally, digital skill gaps and awareness gaps are cited by Mair and Virdi (2024) as some of the main barriers to emerging economies.

Research done in India, such as that conducted by Verma et al. (2024) and Yadav et al. (2024), support the idea that MSMEs do not use digital tools fully because of the lack of strategic knowledge.

It is also true that digital marketing awareness depends on sector. Traditional MSMEs, including handicrafts and textile industries, are less likely to be more aware than those that belong to services (Yadav et al., 2024).

Flores et al. (2022) also stress the importance of awareness in crisis management and resilience by noting that the more enterprises are aware of the crisis, the better they handle the COVID-19 crisis.

All in all, existing literature provides support that DMA is a prerequisite that PU and PEOU should be translated to actual adoption behavior. Awareness is an enabler that will help MSMEs seize the opportunities of digital opportunities and establish market presence and stay agile in unstable environments.

2.2 Perceived Usefulness (PU) - A Core TAM Construct

Perceived Usefulness (PU) is a conception, which denotes the degree of entrepreneurial belief that digital marketing tools facilitate performance (Davis, 1989).

Amongst the MSMEs, PU is always found to be the best predictor of behavioral intention and technology adoption (Venkatesh et al., 2003).

Research establishes that MSMEs that find digital marketing helpful in its applicability to them regarding the acquisition of customers, increasing brand awareness, and generating revenues are more inclined to become user and frequent (Hollebeek et al., 2022).

Kumar et al. (2024) reviewed digital resilience among SMEs and discovered that businesses which embraced digital solutions experience a sense of improvement in operational flexibility and customer correspondence.

Proenca et al. (2024) in another research also showed that PU has a strong connection to the adoption of data analytics, especially when companies recognize the strategic importance of making decisions based on data.

Observable benefits like increased sales, increased market coverage, reduced marketing and increased competitive advantage tend to influence PU in the context of MSMEs. In developing economies, research evidence indicates that the early exposure to digital experiences can only be seen as beneficial, and the perceived usefulness of these experiences grows, which then solidifies the adoption when entrepreneurs see it as useful (Ahmed and Sur, 2023; Pandya et al., 2024).

As a number of researchers point out, external factors that determine PU include peer influence, government support and competitive pressure. According to Raj et al. (2024), positive policy environments can increase the effectiveness of PU through providing better access and usefulness to digital tools.

Therefore, PU has a direct effect on the adoption of digital marketing in MSMEs and is critical in the formation of the entrepreneurial attitude to the integration of technologies.

2.3 Perceived Ease of Use (PEOU) and Digital Skills

The degree to which digital marketing tools are perceived to be effort-free is called Perceived Ease of Use (PEOU) (Davis, 1989).

Empirical research has proved that PEOU is a significant predictor of PU, intention to adopt and continued use of the technology (Venkatesh and Davis, 2000). In the case of MSMEs, PEOU is especially applicable since the owners of business usually possess less time, resources, and technical skills.

Research has highlighted that platforms of digital marketing providing ease of use, drag and drop editors, auto functions, and personalized dashboard functions contribute to higher adoption rates (Hollebeek et al., 2022).

The idea is that in the emerging economies such as India, the perception of ease of use is diminished due to an inadequate supply of digital talent (Mair and Virdi, 2024).

PEOU in MSMEs is low due to a lack of digital literacy and the lack of exposure to analytics and lack of training (Yadav et al., 2024).

Empirically, it is revealed that training, digital literacy training, and government efforts have a substantial positive impact on PEOU in MSMEs (Raj et al., 2024).

Entrepreneurs will be more likely to allocate time to mastering the work with more complex digital tools and examining the opportunities of the new digital marketing strategy when they think that such tools are easy to use (Tatik & Setiawan, 2024).

PEOU is also sector specific. IT-enabled services have been found to be much easier to use in the view of MSMEs as opposed to traditional industries (Verma et al., 2024). Nevertheless, even the old-fashioned producers can get their PPEU increased with proper training due to the emergence of AI-based automation.

Therefore, PEOU has a direct effect on digital marketing adoption and reinforces PU by making the technology more accessible and less threatening to the owners of the MSMEs.

2.4 Adoption of Digital Marketing in MSMEs (DMAO)

It is also in the digital marketing whereby the use of social media advertising, search engine optimization, analytics, email marketing, and digital content creation are integrated. The penetration of adoption among the different developing economies differs greatly, and is strongly dependent on awareness, PU, PEOU, infrastructure, costs, skills, and cultural attitudes (Khan et al., 2024).

According to Hollebeek et al. (2022), there is a direct correlation between digital engagement and the quality of relationships with customers and business performance. When the MSMEs are proactive in social media marketing, their brand loyalty, customer retention and sales usually increase.

Research conducted by Tatik and Setiawan (2024) proves that social media marketing is a cheap resource that plays an important role in increasing the presence of MSMEs in the market.

Environmental pressures affect the adoption of digital. As evidenced by Flores et al. (2022), MSMEs have embraced the adoption more in COVID-19 because digital tools became the survival strategies.

Digital transformation is becoming a necessity rather than a choice as the pandemic grants greater speed to it (Joshi et al., 2024). Nonetheless, various researches find obstacles.

- Lack of skills (Yadav et al., 2024),
- Resistance to change (Raj et al., 2024),
- Financial constraints (Saifurrahman & Kasim, 2024),
- Absence of digital infrastructure (Khan et al., 2024).

Adoption of digital marketing is therefore a complicated behavioral consequence that is influenced by various organizational, technological and environmental factors.

2.5 Digital Finance, Technology and Crowd funding Enabling

Digital finance is important in making the MSMEs embrace digital marketing tools. Online banking, fintechs, payment platforms, and crowd funding increase access to finance, reduce transaction costs and scale up businesses (Verma et al., 2024).

As highlighted by Rizwan et al. (2024), MSMEs have alternative sources of funding provided by crowd funding in cases where the traditional banks are unavailable.

Ahmed and Sur (2023) indicate a rise in the use of digital banking because of the demonetization and the pandemic among the Indian MSMEs, which supports the association between digital financial capability and the overall use of digital.

Access to capital and financial resilience determine the investment of MSMEs in digital

marketing (Gupta et al., 2024).

Therefore, digital finance has an indirect effect of fortifying the use of digital marketing and boosting the performance of a business.

2.6 Absorptive Capacity, Human Capital, and Digital Capabilities (Mediator Variables)

Human capital variables such as skills, training, digital literacy and managerial ability are some of the main mediators between awareness, PU/PEOU and adoption. The capacity to learn and use new knowledge goes by the name of absorptive capacity, which defines whether MSMEs will be able to assimilate digital tools (Proenca et al., 2024).

Research indicates that the more a firm has high absorptive capacity the more it is more innovative, data analytics, and digital marketing (Proenca et al., 2024; Pandya et al., 2024).

Kumar et al. (2024) point out that digital capabilities enhance resilience in the sense that firms can adapt operations in a short period.

Skill gaps remain one of the significant impediments (Mair and Virdi, 2024).

The adoption can be greatly enhanced through training and capacity-building (Yadav et al., 2024).

There is also an entrepreneurial self-efficacy, which can be considered a psychological mediator affecting technology adoption (Singh et al., 2024).

2.7 Moderating variables: Sector, Firm size and Entrepreneurial Orientation

Research affirms that the behavior of digital adoption varies in the sectors. Digital marketing is implemented in slower rates by enterprises in the manufacturing industry compared to hospitality, retail and services (Hollebeek et al., 2022).

Adoption is moderated by firm size with larger MSMEs having superior resources to train, invest in infrastructure and digital resources (Kumar et al., 2024).

One of the factors that moderate the adoption behavior is entrepreneurial orientation, which includes risk-taking, proactiveness, and innovativeness (Biswas, 2024). Those entrepreneurs that are more digitally oriented will have a more useful and easier to use perception..

2.8 Impact of Digital Marketing Adoption on MSME Business Success

Several researchers attest to the fact that digital marketing uptake is a significant boost to performance of MSMEs. Success indicators include: Growing profits and sales (Tatik & Setiawan, 2024), greater access to customers (Hollebeek et al., 2022), better brand interaction (Kumar et al., 2024), operational efficiency (Verma et al., 2024), business recovery (Flores et al., 2022), competitive advantage (Pandya et al., 2024).

Companies that integrate digital implementation with sustainability gains attain competitive advantages in the long term (Abueg et al., 2024; Alfarizi et al., 2024). All in all, the hypothesis that the adoption of digital marketing will result in the improved success of MSME business has solid support in the literature.

3. Research Gap

Although the literature on the topic of digital transformation is on the rise, there are still quite clear gaps in the existing knowledge about how the digital marketing awareness can be converted into the actual adoption and tangible business success of MSMEs, especially in developing economies like India. Majority of the available literature looks at the adoption of digital marketing in broad terms, without looking at the specifically different functions of the awareness, perceived usefulness and perceived ease of use in determining the adoption behaviours. Although TAM has been extensively implemented in consumer and technology context, it has not been implemented to digital marketing adoption in resource-constrained MSMEs in a consistent manner, and in several instances, these studies have been limited, inconsistent, and poorly empirically robust. Besides, most of the research is concentrated on individual digital instruments (e.g., social media marketing or digital payments), but does not consider digital marketing as a holistic strategic capacity. The relationship among technology perceptions and technology adoption is also not adequately discussed on how digital skills, absorptive capacity, and human capital of MSMEs only mediate the association. This creates a conceptual gap when it comes to explaining why digital readiness leads to performance gains in some MSMEs and digital passivity in others despite their awareness of digital readiness.

A second research gap stems out of the regional setting, where the empirical research conducted on the specific population of Gujarat MSMEs is little in contrast to one conducted

on a national or a cross-country level. The available literature has a tendency to extrapolate the results of the urban or digitally developed areas, which do not necessarily correspond to the realities of MSMEs in Gujarat in terms of structure, infrastructure, and culture. Very little is known also about the impact of the adoption of digital marketing on holistic business success indicators, including competitiveness, market expansion, resilience, productivity, and long-term growth. Also, there are not many studies that incorporate digital finance adoption, entrepreneurial orientation, sector-level constraints, and firm size differences into one model as moderating variables. Lastly, the literature is quite scarce on utilizing a combination of TAM and MSME specific determinants in a variable-oriented analysis. Such gaps warrant the necessity of a highly context-specific, broad, and TAM-congruent research that will investigate the interactions among digital marketing knowledge, perceived usefulness, perceived ease of use, and adoption and their roles in determining the business success of MSMEs in Gujarat.

4. Statement of the Problem

Although the adoption of digital technologies has increased at a very fast rate and the results of using digital marketing tools are well positive, a significant percentage of micro, small, and medium enterprises (MSMEs) in India, especially in Gujarat, are still behind in using digital technologies. The available literature has continued to emphasize massive gaps in digital marketing awareness, low-technological proficiency, and poor perceptions of utility and user-friendliness, all of which make MSMEs unable to exploit the digital market successfully. With the growing digitally competitive markets businesses are operating in, the MSMEs that do not have a background of awareness and preparedness suffer decreasing customer reach, less brand presence and competitiveness. Though there are frameworks like the Technology Acceptance Model (TAM) that explain the impact of Perceived Usefulness (PU) and Perceived Ease of Use (PEOU), there is scanty empirical evidence on the interaction of these variables with the digital marketing awareness in the Gujarat MSME ecosystem.

Moreover, the environmental provisions, including the digital infrastructure gaps, the financial constraints, and the lack of access to digital finance make the decisions based on the adoption more difficult in the case of the small businesses. Although the research indicates that the adoption of digital marketing is associated with a better performance, increased resilience, and operational efficiency, the MSMEs in Gujarat remain unable to translate

awareness into meaningful behavior of adoption. The shortage of empirical research to examine the combined effect of the use of DMA, PU, PEOU, and human capital capabilities on digital marketing uptake and business success is a significant research gap. Thus, it is necessary to approach the factors that influence the adoption of digital marketing in a systematic way and determine their effects on the business performance of MSMEs in Gujarat and make evidence-based recommendations to the policymakers, industry associations, and facilitators of digital ecosystem

5. Rationale of the Study

The accelerated pace of digitalization of markets has rendered the digital marketing as a critical growth, competitive, and sustainability driver of MSMEs. Nevertheless, there are still serious gaps between the perceived benefits of digital tools and the current extent of the adoption rate of digital tools by MSMEs in Gujarat.

The studies indicate that awareness of digital marketing, perceived usefulness, perceived ease of use, digital skills, and access to digital financial tools are found to have a profound influence on the adoption behavior of small enterprises. However, the existing literature rarely considers these variables in one single framework in particular to the case of Indian MSMEs working in different economic and infrastructural settings. This paper fills this gap by combining the Technology Acceptance Model (TAM) and digital marketing awareness and human capital drivers to give an all round picture of what leads to the adoption or not of digital marketing.

In addition, MSMEs have been instrumental in the development of Gujarat in terms of industries and economies, putting a significant impact on employment and the local business environment. Even so, there is a significant number of MSMEs who continue to work with limited digital exposure, which exposes them to the competitive pressures and market disruptions. The present study provides a valuable practical contribution to businesses by exploring the impact of the adoption of digital marketing on the success of the business and providing the entrepreneur with empirical information on how to engage customers, enhance business operations, and gain competitive advantage.

The results of this study will help the policy makers, training institutions, and industry organizations to develop specific interventions, including skill-development initiatives,

sensitization efforts, and enhanced digital infrastructure, to facilitate the digitalization of MSMEs, and eventually create a sustainable economic growth in Gujarat.

6. Objectives of the Study:

1. To examine how perceived usefulness correlates and the attitude of MSME owners towards the use of digital marketing tools.

2. To assess the effect of the perceived ease of use on the behavioral intention of MSME owners to adopt digital marketing practices.

3. To determine the digital marketing experience in influencing the adoption behavior of MSMEs.

4. To evaluate how digital marketing knowledge and awareness influence the level of adoption of MSMEs.

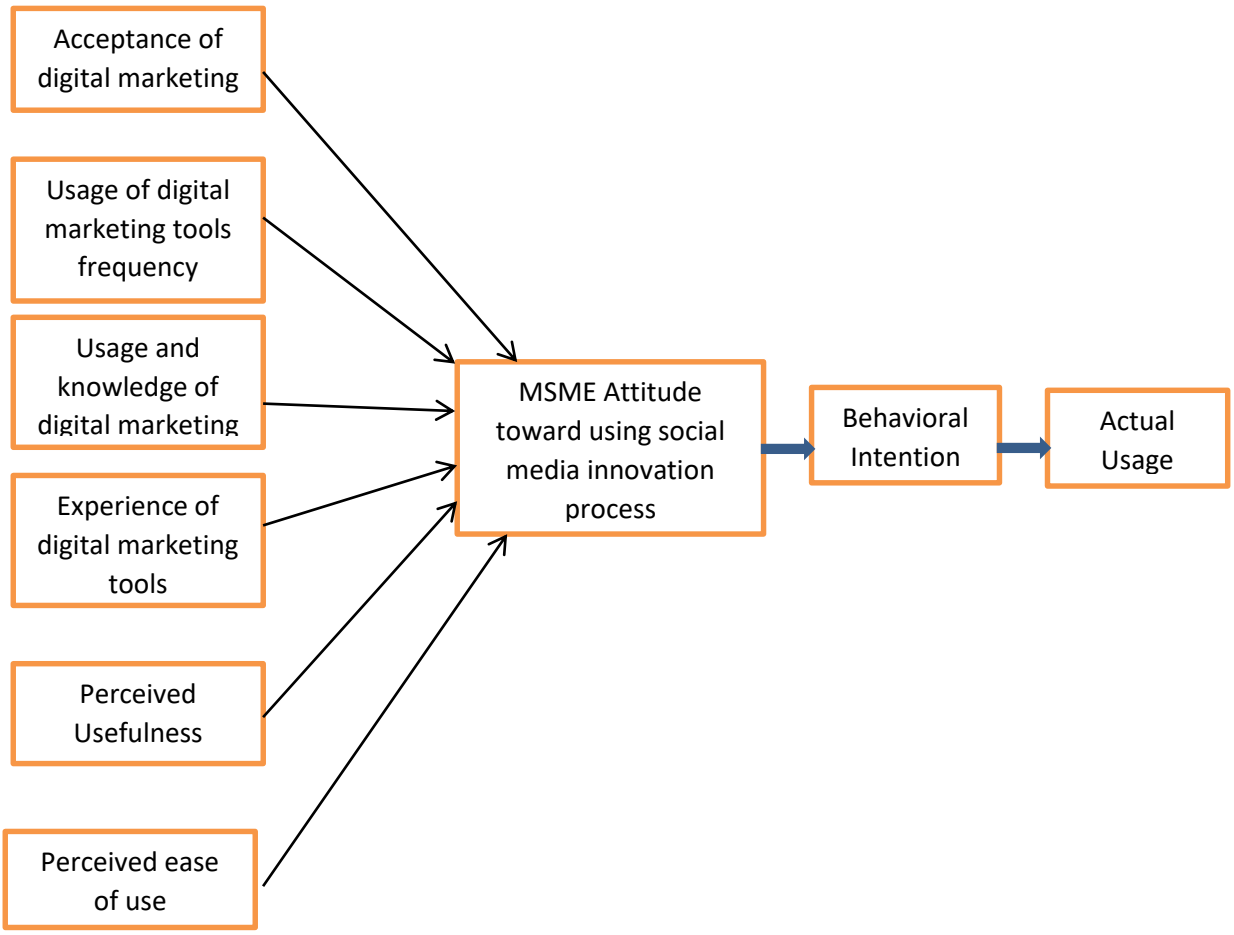
5. To investigate the effect of acceptance of digital marketing on real usage behavior among MSMEs.

6. To understand the association between entrepreneurial and market orientation and digital marketing adoption.

7. To find out how personal innovation affects the willingness of MSMEs to adopt and implement digital marketing.

8. To quantify the effect of digital marketing adoption on the success of business and competitive advantage of MSMEs.

7. Proposed Framework for the Study


Acceptance of digital marketing
Usage of digital marketing tools frequency
Usage and knowledge of digital marketing
Experience of digital marketing tools
Perceived Usefulness
Perceived ease of use
MSME Attitude toward using social media innovation process
Behavioral Intention
Actual Usage

8. Hypothesis

H1 Perceived usefulness positively and significantly influences the attitude of MSME owners toward digital marketing use.

H2 Perceived ease of use positively impacts the behavioral intention of MSME owners to use digital marketing.

H3 Positive attitude to use digital marketing will have a positive effect on the behavioral intention to use digital marketing practices.

H4 Digital marketing tools experience has a positive impact on actual adoption and use of digital marketing by MSMEs.

H5 Digital marketing knowledge and awareness are key factors that increase the level of acceptance and adoption of MSMEs.

H6 Digital marketing acceptance has a positive impact on the regularity and regularity of digital marketing use between MSMEs.

H7 Personal innovation and entrepreneurial orientation have a positive influence on the willingness of the MSME owners to embrace digital marketing.

H8 Digitized marketing adoption produces a significant positive effect on the overall MSME business success and performance.

9. Research Methodology

Aspect	**Details**
Research Design	Descriptive and exploratory research design to identify and analyze MSME digital marketing adoption tools in MSME
Sampling Strategy	**Population**: MSMEs in Gujarat (8 selected municipal corporations)
	Sample Size: 600 MSMEs approx. (selected from the 8 municipal corporations)
Sampling Method	Non-probability sampling technique method to ensure representation from various industrial sectors
Data Collection Method	1. **Primary Data**: Surveys, interviews, and focus groups with MSME owners and managers.
	2. **Secondary Data**: Government reports, industry publications, and academic research.
Data Analysis	1. **Quantitative Analysis**: Descriptive statistics, regression analysis for hypotheses testing.

Tools and Techniques	Statistical software. (Smart PLS 4) standard questioners

10. Implications of the Study

The present study provides valuable insights into how digital marketing awareness and adoption contribute to the growth and competitiveness of MSMEs in Gujarat. The findings will help policymakers, industry bodies, and digital training institutions design targeted programs that enhance the perceived usefulness and ease of use of digital tools among MSME owners. By understanding how attitude and behavioral intention influence adoption, institutions can introduce capacity-building initiatives that simplify digital integration for small business operators, reducing the technological barriers they currently face.

For practitioners and entrepreneurs, the study offers a strategic roadmap for leveraging digital marketing as a core business function rather than a supplementary activity. The relationship between experience, knowledge, and acceptance highlights that continuous learning and exposure to digital platforms directly improve market visibility, customer engagement, and sales performance. MSME owners can use these insights to adopt cost-effective digital marketing strategies suited to their resource constraints, fostering sustainable business growth.

From a theoretical standpoint, the study strengthens existing frameworks like the Technology Acceptance Model (TAM), Diffusion of Innovation Theory (DOI), and Resource-Based View (RBV) by contextualizing them within MSME digitalization in emerging markets. It also addresses a key research gap by linking behavioral, technological, and organizational variables to actual business success. Thus, the study not only contributes to academic literature but also offers actionable implications for fostering digital transformation among MSMEs in India.

11. Scope

The current research aims at studying the factors, which impact on digital marketing adoption amongst Micro, Small and Medium Enterprises (MSMEs) in Gujarat with specific focus on

the variables obtained in the Technology Acceptance Model (TAM)- Perceived Usefulness (PU) and Perceived Ease of Use (PEOU)- variables as well as Digital Marketing Awareness, Digital Marketing Adoption, and Business Success. The scope is aimed at not only examining the technological determinants but also the organizational and environmental factors which influence digital behavior of MSMEs. Through this, the research will provide a coherent knowledge on the way small companies perceive, embrace and utilize digital marketing tools in an ever-changing digital economy.

In terms of geography, it can be restricted to MSMEs located in the Indian state of Gujarat. The choice of Gujarat is based on its robust industrial foundation, entrepreneurial culture, and the growing digital environment that is enabled by policy interventions and infrastructural development. Although Gujarat is one of the most economically progressive states in India, the digital adoption among MSMEs in this state is not even, which is why it can be viewed as a suitable area of interest of the empirical study. The research will cut across different sectors in MSMEs, among which there will be manufacturing, retailing, textiles, food processing, services, and handicraft. This industry diversity will give a general picture of the variation in the adoption of digital marketing among industries that are technologically prepared and those that are still at an early stage of market penetration.

The research concentrates on five variables namely Digital Marketing Awareness (DMA), Perceived Usefulness (PU), Perceived Ease of Use (PEOU), Digital Marketing Adoption (DMAO), and Business Success (BS). The variables play a distinct role towards the process of adoption. The level of knowledge and awareness that the entrepreneurs have concerning digital tools and strategies is looked at by DMA. PU considers the perceived benefits of using digital marketing in terms of performance, and PEOU considers the effort that one has to make to learn and apply these tools. DMAO is the real use of digital marketing platforms like social media, search engines, content marketing and analytical tools. Lastly, Business Success uses such indicators as profitability, customer growth, operational effectiveness, and competitiveness in general. The areas covered are investigating the direct and indirect responses between these variables, having an overall view of the story of technology adoption in MSMEs.

Regarding methodology, the area encompasses gathering primary data among owners, managers, or decision-makers of MSMEs directly engaged in the field of marketing or digital activities. In the research, data collection will be done with references to the quantitative

research methodology to test the suggested framework empirically and confirm relations between the variables. The data will be collected in the form of a structured questionnaire, and the results will be evaluated with the help of the relevant statistical resources. Large businesses and startups are not included in the scope since they are not comparable to MSMEs in terms of structure and resources, and thus they can confound the findings. Non-business organizations like NGOs, institutions and government departments are also not included in the study.

The study has a time frame that is restricted to the current era of digital transformation, especially after the pandemic where there may be a rush to embrace digital because of the need to do so. The research is not focused on the historical overview of the digital marketing practices but the current situation conditioned by the development of technologies, the expansion of the internet, and the changes in consumer behaviour. As well, though the paper in question recognizes the importance of the external environmental conditions, including support on the governmental level, infrastructure, and competitiveness of the markets, the specified factors are not regarded as main variables in the conceptual model. On the contrary, they are considered as situational factors that present ground information.

Moreover, the work does not consider technical features of digital marketing technologies like software creation, platform algorithms, cyber security systems, or sophisticated analytics systems. It focuses mainly on the behavioural, perceptual and strategic factors that affect adoption. Neither does the scope in measuring long-term financial results more than the indicators of business success that are set forth in the research framework.

On the whole, the research area of this study is well-defined to give a narrow but exhaustive knowledge of the predisposing and consequences of digital marketing adoption amid MSMEs in Gujarat. It will provide useful information to entrepreneurs as well as add academically to the existing literature on digital transformation in emerging economies.

12.Limitation

Despite the fact that the current study is informative in relation to the adoption of digital marketing by MSMEs in Gujarat, there are a number of natural flaws that need to be taken into consideration and which may affect the externalizability and interpretation of the results. To begin with, the research is also geographically restricted to MSMEs in Gujarat, and thus,

it cannot be applied to other states or regions, where digital infrastructure, policy support, and entrepreneurial culture might vary dramatically. The relatively developed industrial environment of Gujarat might not be a complete depiction of the less-developed regions, which limits the applicability of the findings.

Second, the company was mainly using self-reported data, which was gathered using structured questionnaires. The biases of self-reporting include social desirability, selective memory, or overstatement of online usage and business performance. Digital marketing, usefulness or ease of use may also mean different things depending on the exposure and literacy level of the entrepreneurs and this will influence the accuracy of the responses. Even though quantitative methods are statistically rigorous, they might fail to ascertain more profound behavioral motivations, emotional elements and contextual nuances that qualitative methods might do.

Third, the research targets certain variables which are the Digital Marketing Awareness, Perceived Usefulness, Perceived Ease of Use, Digital Marketing Adoption and Business Success based primarily on TAM and other models. These variables offer a good theoretical basis, but they fail to explain all the potential determinants of digital adoption. External influence like organizational culture, competition, customer digital readiness, vendor support and government incentives might also have a major effect on adoption behavior but are not considered as the key variables. This theoretical weakness of the study reduces the scope of information on the wider ecosystem that affects MSMEs.

13. References

Abueg, L. P., Dizon, C. B., & Santos, M. J. (2024). Digital transformation strategies and resilience of MSMEs in emerging economies. Journal of Small Business Strategy, 34(2), 145–163.

Ahmed, F., & Sur, S. (2023). Digital banking adoption among Indian MSMEs: A post-demonetization analysis. International Journal of Bank Marketing, 41(1), 55–78.

Ahmed, T., & Bandyopadhyay, S. (2024). Perceived usefulness as a driver of digital marketing tool adoption in small firms. Journal of Marketing Analytics, 12(1), 55–70.

Alfarizi, M., Rahman, A., & Putra, D. (2024). Sustainable digital marketing practices and SME growth: Evidence from Southeast Asia. Sustainability, 16(3), 2250.

Biswas, A. (2024). Entrepreneurial orientation and technology adoption among Indian MSMEs. Journal of Entrepreneurship & Innovation, 13(1), 15–28.

Choudhury, A., & Prakash, D. (2024). Adoption of AI-based digital marketing among SMEs. Technology in Society, 72, 102353.

Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. MIS Quarterly, 13(3), 319–340.

Flores, E., Xu, M., & Garcia, R. (2022). Digital adoption and resilience of small enterprises during COVID-19. Journal of Business Research, 145, 636–648.

Goyal, S., & Agarwal, P. (2023). Determinants of digital marketing adoption among Indian MSMEs. Small Enterprise Research, 30(1), 93–110.

Gupta, P., Khanna, S., & Sahu, S. (2024). Financial inclusion and digital capability development among Indian MSMEs. Journal of Developmental Entrepreneurship, 29(1), 75–96.

Hollebeek, L. D., Sprott, D. E., & Andreassen, T. W. (2022). Digital customer engagement and firm performance. Journal of Interactive Marketing, 57, 25–40.

Joshi, R., Mahto, R., & Sinha, S. (2024). COVID-19-driven digital acceleration among Indian SMEs. Asia Pacific Journal of Innovation and Entrepreneurship, 18(2), 134–151.

Khan, M., Dorji, P., & Pradhan, S. (2024). Digital marketing adoption challenges among MSMEs in Bhutan and Northeast India. Journal of Asian Business Studies, 18(1), 112–129.

Kumar, R., Singh, S., & Prakash, A. (2023). Digital awareness and competitiveness of small enterprises in India. International Journal of Entrepreneurship and Small Business, 50(2), 241–260.

Kumar, V., Patel, R., & George, T. (2024). Digital resilience and strategic agility in SMEs: A post-pandemic assessment. Journal of Small Business Management. Advance online publication.

Mair, J., & Virdi, S. (2024). Digital talent shortages and MSME technology adoption in South Asia. Technological Forecasting & Social Change, 198, 122–145.

Pandya, H., Trivedi, P., & Shah, D. (2024). Data analytics capability and competitiveness of Indian MSMEs. IIMB Management Review, 36(1), 22–37.

Pandya, S., & Rathod, M. (2024). Competitive advantage through digital transformation in Gujarat MSMEs. Global Business Review. Advance online publication.

Proença, A., Silva, M., & Ferreira, J. (2024). Absorptive capacity and digital analytics adoption in European SMEs. European Management Journal, 42(3), 455–470.

Raj, P., Kumar, A., & Mishra, S. (2024). Policy support, digital infrastructure, and MSME technology adoption in India. Government Information Quarterly, 41(2), 101–118.

Rizwan, M., Saeed, A., & Khan, S. (2024). Crowdfunding as a financing alternative for MSMEs in South Asia. Journal of Small Business and Enterprise Development, 31(1), 99–120.

Saifurrahman, M., & Kasim, R. (2024). Financial barriers and digital adoption among micro-enterprises in Indonesia. Journal of Entrepreneurship in Emerging Economies, 16(2), 303–324.

Sanchez, F., Lopez, J., & Ramirez, D. (2023). The role of digital platforms in SME competitiveness. Journal of Business Research, 158, 113–128.

Singh, A., Gupta, P., & Mohan, R. (2024). Entrepreneurial self-efficacy and digital adoption intention among SMEs. Journal of Small Business & Entrepreneurship. Advance online publication.

Tatik, S., & Setiawan, D. (2024). Impact of social media marketing on MSME growth in Indonesia. International Journal of Internet Marketing and Advertising, 18(1), 45–63.

Venkatesh, V., & Davis, F. D. (2000). A theoretical extension of the technology acceptance model. Management Science, 46(2), 186–204.

Venkatesh, V., Morris, M., Davis, G., & Davis, F. (2003). User acceptance of information technology: Toward a unified model. MIS Quarterly, 27(3), 425–478.

Verma, R., Sharma, K., & Nair, S. (2024). Digital transformation of Indian MSMEs through fintech and marketing technologies. Journal of Enterprise Information Management. Advance online publication.

Verma, S., Yadav, R., & Shukla, A. (2024). Digital skill development and adoption readiness in Indian MSMEs. Journal of Technology Management & Innovation, 19(1), 77–91.

Yadav, R., Shukla, N., & Kumar, V. (2024). Digital literacy and technology adoption barriers among micro-enterprises. Information Technology for Development, 30(2), 256–274.

Signature of

Research Scholar

Signature of

Research Supervisor